

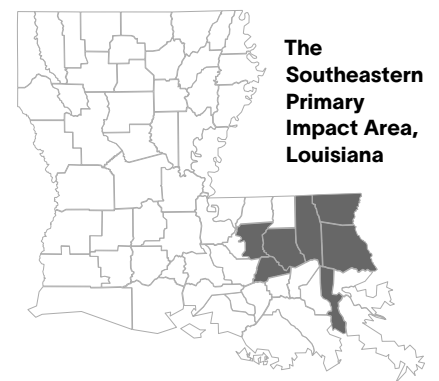
The Economic Value of Southeastern Louisiana University



Southeastern Louisiana University (Southeastern) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2023-24.

Economic impact analysis

In FY 2023-24, Southeastern added **\$1.0 billion** in income to the Southeastern Primary Impact Area¹ economy, a value approximately equal to **1.0%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Southeastern's impact supported **14,808 jobs**. For perspective, the activities of Southeastern and its students support **one out of every 71 jobs** in the Southeastern Primary Impact Area.



¹ For the purposes of this analysis, the Southeastern Primary Impact Area includes the following parishes: Ascension, East Baton Rouge, Jefferson, Livingston, St. Tammany, Tangipahoa, and Washington.

Operations spending impact

- Southeastern employed 1,385 full-time and part-time faculty and staff. Payroll amounted to \$120.5 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$47.9 million² on its expenses related to facilities, supplies, and professional services.
- The net impact of the university's operations spending added **\$146.8 million** in income to the regional economy in FY 2023-24.

Construction spending impact

- Southeastern invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Southeastern's construction spending in FY 2023-24 was **\$6.4 million** in added income for the Southeastern Primary Impact Area.

Research spending impact

- Research activities at Southeastern impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in the Southeastern Primary Impact Area. In FY 2023-24, Southeastern spent \$1.9 million on payroll and \$2.5 million on other expenses³ to support research activities.
- Southeastern's research spending generated **\$3.5 million** in added income for the Southeastern Primary Impact Area economy in FY 2023-24.









Spin-off company impact

- Southeastern creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of spin-off companies created as a result of the university.
- In FY 2023-24, Southeastern's spin-off companies generated **\$24.1 million** in added income for the Southeastern Primary Impact Area economy.

Visitor spending impact

- Out-of-region visitors attracted to the Southeastern Primary Impact Area for activities at Southeastern brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$3.0 million** in income to the Southeastern Primary Impact Area economy.

Impacts created by Southeastern in FY 2023-24

	Operations spending impact \$146.8 million
+	
	Construction spending impact \$6.4 million
+	
	Research spending impact \$3.5 million
+	
	Spin-off company impact \$24.1 million
+	
	Visitor spending impact \$3.0 million
+	
	Student spending impact \$23.4 million
+	
	Volunteerism impact \$0.8 million
+	
	Alumni impact \$809.7 million

 Total economic impact
\$1.0 billion

OR

 Jobs supported
14,808

² Research employees and their payroll, as well as non-pay expenses for research and construction, are excluded from this impact as they are measured in the following impacts.

³ Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



Student spending impact

- About 20% of credit students attending Southeastern originated from outside the region. Some of these students relocated to the Southeastern Primary Impact Area. In addition, some in-region students, referred to as retained students, would have left the Southeastern Primary Impact Area for other educational opportunities if not for Southeastern. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2023-24 added **\$23.4 million** in income to the Southeastern Primary Impact Area economy.

Volunteerism impact

- The work of Southeastern's student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Louisiana, the work of Southeastern student and employee volunteers is equivalent to \$829.3 thousand in earnings.
- In terms of actual impact to the regional economy, Southeastern student and employee volunteers generated an impact of **\$785.2 thousand** in added income in FY 2023-24.

Alumni impact

- Over the years, students have studied at Southeastern and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the Southeastern Primary Impact Area.
- The net impact of Southeastern's former students currently employed in the regional workforce amounted to **\$809.7 million** in added income in FY 2023-24.

Investment analysis

Student perspective

- Southeastern's FY 2023-24 students paid a present value of **\$76.0 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$41.6 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$649.4 million** in increased earnings over their working lives. This translates to a return of **\$5.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.2%**.

Taxpayer perspective

- Taxpayers provided Southeastern with **\$55.7 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$92.8 million**.

Students see a high rate of return for their investment in Southeastern



Average annual return for Southeastern students
17.2%



Stock market 30-year average annual return
10.1%



Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes' S&P 500, 1994-2023;
FDIC.gov, March 2023



A reduced demand for government-funded services in Louisiana will add another **\$30.5 million** in benefits to taxpayers.

- Total taxpayer benefits amount to **\$123.3 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in Southeastern, taxpayers will receive **\$2.20** in return over the course of students' working lives. The average annual rate of return for taxpayers is **5.4%**.

Social perspective

- In FY 2023-24, Louisiana invested **\$249.8 million** to support Southeastern. In turn, the Louisiana economy will grow by **\$2.3 billion**, over the course of students' working lives. Society will also benefit from **\$301.0 million** of public and private sector savings.
- For every dollar invested in Southeastern in FY 2023-24, people in Louisiana will receive **\$10.30** in return, for as long as Southeastern's FY 2023-24 students remain active in the state workforce.

For every \$1...



Students gain in lifetime earnings

\$5.50



Taxpayers gain in added tax revenue and public sector savings

\$2.20



Society gains in added income and social savings

\$10.30

